

**Managed Risk Medical Insurance Board
February 15, 2012, Public Session**

Board Members Present: Cliff Allenby, Chairman
Richard Figueroa
Samuel Garrison
Ellen Wu

Ex Officio Members Present: Katie Johnson, Designee for the Secretary of the
Health and Human Services Agency
Maureen McKennan, Designee for the Business,
Transportation & Housing Agency
Jack Campana, Chairman of the Healthy Families
Advisory Panel

Staff Present: Janette Casillas, Executive Director
Terresa Krum, Chief Deputy Director
Ellen Badley, Deputy Director, Benefits &
Quality Monitoring
Ernesto Sanchez, Deputy Director, Eligibility,
Enrollment & Marketing
Jeanie Esajian, Deputy Director, Legislative &
External Affairs
Laura Rosenthal, Chief Counsel, Legal
Loressa Hon, Manager, Administration
Tony Lee, Acting Deputy Director, Administration
Seth Brunner, Senior Staff Counsel, Legal
Lance Davis, Senior Staff Counsel, Legal
Koy Lee, Staff Services Analyst, Legal
Jordan Espey, Staff Services Analyst, Legal
John Symkowick, Legislative Coordinator,
Legislative & External Affairs
Willie Walton, Manager, Eligibility
Muhammad Nawaz, Manager, Benefits &
Quality Monitoring
Sarah Swaney, Manager, Benefits & Quality
Monitoring
Ruth Jacobs, Manager, Benefits & Quality Monitoring
Sarah Soto-Taylor, Manager, Eligibility
Eric Nguyen, Systems Software Specialist, IT
Maria Angel, Executive Assistant to the Board and the
Executive Director
Kim White, Board Assistant

Presenter: Stan Dorn, The Urban Institute

Public: David Ford, Lobbyist/Associate Policy Director,
California Medical Association
Kristen Golden Testa, Director of California Health
Program, The Children's Partnership

Chairman Cliff Allenby called the meeting to order at 10:05 a.m. The Board went into Executive Session and resumed the public session at 11:10 a.m.

Chairman Allenby said the order of agenda items would be adjusted to accommodate Stan Dorn, who was making a presentation under Agenda Item 6.a. He called on Ex-Officio Member Jack Campana to make a brief presentation on Healthy Families Program Advisory Panel business.

Mr. Campana said members of the HFP Advisory Panel met the previous day and drafted a statement for this MRMIB meeting. He read the following statement into the record:

“The Healthy Families Advisory Panel has profound concerns that the 2012-13 budget proposal to transition the HFP will compromise the health of California’s most vulnerable young children. If HFP can’t negotiate the provider rate cut and maintain statewide coverage, California is at risk of potentially losing billions in federal funding by violating Maintenance of Effort requirements for the Children’s Health Insurance Program. Examples of how HFP children would be adversely impacted include reduced subscriber access to providers, limited access to comprehensive oral health services, reduced or eliminated continuity of care in receiving comprehensive health, dental and vision coverage, potentially increasing the need for urgent acute care services because of provider access issues. We are also concerned by the rush to eliminate a successful program model that provides access to affordable, comprehensive and high-quality health, dental and vision coverage in an efficient and cost-effective model. With the current multiple transformations of the existing California healthcare system that are proceeding based on the requirements of the Affordable Care Act, now is not the time to be transitioning the HFP and risking the health of nearly 900,000 children.”

STATE BUDGET UPDATE

The Future of Healthy Families: Transitioning to 2014 and Beyond, a Presentation by Stan Dorn, The Urban Institute

Stan Dorn, a Senior Fellow with the Urban Institute, presented via satellite webcam his findings from a study commissioned by the 100% Campaign on “The Future of Healthy Families: Transitioning to 2014 and Beyond.”

He thanked the 100% Campaign for funding his study and thanked persons who contributed to the research, including Ms. Casillas, Mr. Figueroa and Ms. Rosenthal. However, he said his findings and conclusions were his and did not reflect opinions of any individuals interviewed.

The basic question the research addressed was what approach to children covered by the Healthy Families Program would best improve their access to

health care in 2014 and beyond? The study began last summer when there were four different scenarios under consideration: 1) maintain the status quo through which HFP would remain as is for the indefinite future to the extent that the ACA permits (the study baseline); 2) move all HFP children to Medi-Cal and end HFP as we know it; 3) move HFP administration to the Exchange with HFP remaining a separate stand-alone program run by the Exchange Board rather than MRMIB; or 4) use the Exchange's individual health plans to provide HFP benefits and cost sharing through commercial plans in the Exchange's individual markets.

Mr. Dorn outlined the study recommendation:

Step One: Partial shift to Medi-Cal of the lowest-income HFP children. This is a partial shift to Medi-Cal with safeguards. It would take the lowest-income HFP children, those with incomes below 133 percent FPL as currently calculated, and move them into Medi-Cal. These children are most likely to move to Medi-Cal in 2014 and are most likely to gain from the shift. In the meantime, safeguards should be implemented to improve access to care for these children in Medi-Cal. Mr. Dorn suggested that this approach also will help with successful implementation of broader ACA provisions in 2014.

Step Two: Rigorously monitor what happens to the children who move to Medi-Cal to ascertain how they fare compared to similar children who remain in HFP, and observe the Exchange in operation.

Step Three: Once more is learned, a better informed decision can be made about the future fate of HFP children. If Medi-Cal can provide, on balance, better access to care than HFP, policymakers could shift the remaining HFP children there. If the Exchange is able to obtain access to commercial networks for HFP children and is able to provide HFP benefits and cost sharing, that would be an option worth serious consideration. If neither option is better, the remaining HFP children could stay in HFP. The recommendation is to make a small shift, use that and other tools to monitor what happens, and then make a much better informed decision a few years down the road.

Chairman Allenby thanked Mr. Dorn for his presentation and asked if there were any questions or comments from the audience.

Kristen Golden Testa, Children's Partnership and the 100% Campaign, said the 100% Campaign commissioned Mr. Dorn's report, not just because of the Governor's proposal last year, but also to learn what was in the best interests of children. The 100% Campaign felt the process needed to slow down. She indicated that Mr. Dorn's recommendation to move the bright-line children first while studying the transition will allow the state to avoid a situation where the delivery system in some areas became vulnerable and possibly collapsed under the weight of a big shift and would allow the state to see "red flags" in time to address them before massive changes occurred.

She said her group understands and appreciates the expediency of the budget situation, but agrees that putting children's health at risk, particularly if there are some vulnerable areas in the state, is not a wise decision. She said Mr. Dorn's

study recommendations will be the recommendation of the 100% Campaign going forward with the Legislature and the Governor.

David Ford, California Medical Association, thanked the Urban Institute for the study and thanked the 100% Campaign for commissioning the study. He noted one issue the study did not cover: the Governor's proposal to reduce HFP capitated rates to plans down to the Medi-Cal rate. He said this is a significant issue because both programs are heavily delegated to IPAs and medical groups and many of those plans pay providers a blended rate for Medi-Cal managed care and HFP. He stated that this is true today because there is a difference in the rates to blend. He asked Mr. Dorn whether Mr. Dorn's thinking changed if he assumed a 26 percent drop in capitation payments is assumed.

Mr. Dorn said the study was conducted prior to the proposal of the HFP rate reduction. He said he did not precisely how that would play out, but guessed that the access disadvantages experienced from moving HFP children into Medi-Cal would lessen considerably. The reason some children would be hurt moving from HFP to Medi-Cal, in terms of provider networks, is that providers will be paid a lot less in Medi-Cal. If HFP starts paying providers the same as Medi-Cal, then the difference in rates is a non-factor. That also would mean that the balance of advantage and disadvantage would change and one would need to think seriously about whether under that circumstance, there would be a more favorable balance toward moving all the children into Medi-Cal.

Chairman Allenby asked if there were any other questions or comments from the audience. There were none. He asked if there were any questions or comments from the Board.

Mr. Figueroa told Mr. Dorn that he greatly appreciated the hard work that was put into the study and the involvement of the Children's Partnership and other stakeholders in the process. He suggested the Board embrace most of the principle of the hybrid approach suggested in the study, moving at least the bright-line children before 2014. He said this would be appropriate to provide the maximum time possible to work with the Legislature, stakeholders and the Department of Health Care Services to ensure continuity of care and coverage with adequate notice to families. Mr. Figueroa said he appreciated the metrics outlined by Mr. Dorn in his presentation and noted the value of these metrics for engaging stakeholders, the Legislature and the Administration on issues of the timing and manner of such a transfer.

Mr. Figueroa went on to say that he believed the Board should insist on a rigorous enrolling notice and on access measures, many of which were outlined in Mr. Dorn's study, to ensure that any transfer occurs seamlessly. He said timing should not be dictated solely by financial considerations and should not occur without Board sign-off and ultimately legislative approval. He said this process should be in an open and transparent manner as is the tradition of MRMIB. He thanked Mr. Dorn for his thoughtful comparisons and said he completely agrees that, if any transition were to occur, it should be done with all the appropriate safeguards as outlined in Mr. Dorn's report. He reiterated the value of embracing

at least a portion of the proposal, that is, to transfer the “bright line” children early to permit the maximum time possible.

Ms. Casillas thanked Mr. Dorn for his analysis, noting that he began the study last year in the context of a prior Administration proposal; it was coincidental that the report was read when the proposal came up again.

The Urban Institute PowerPoint slideshow presentation and accompanying documents can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021512/Agenda_Item_6.a_The_Future_of_HFP_PowerPoint_by_The_Urban_Institute_Stan%20Dorn.pdf

REVIEW AND APPROVAL OF MINUTES OF JANUARY 18, 2012 PUBLIC SESSION

The minutes of the January 18 meeting were approved as submitted.

The January 18, 2012, Public Session Minutes are located here:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021512/Agenda_Item_3_Public_1-18-12_Final_Public_Minutes.pdf

FEDERAL BUDGET, LEGISLATION AND EXECUTIVE BRANCH ACTIVITY (Including Healthcare Reform & Budget)

Jeanie Esajian reported on Agenda Item 4, Federal Budget, Legislation and Executive Branch Activity (including Healthcare Reform & Budget).

Chairman Allenby asked if there were any questions or comments from the Board. Hearing none, he asked if there were questions or comments from the audience. There were none.

The documents on the Federal Budget, Legislation, et al., can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021512/Agenda_Item_4_Federal_Budget_Legislation_and_Executive_Branch_Activity.pdf

EXTERNAL AFFAIRS UPDATE

Ms. Esajian reported on Agenda Item 5, the External Affairs Update. The last 30 days were moderate for news media coverage. The focus was still on PCIP and budget proposals affecting MRMIB. Seven reporters contacted staff and two news releases were issued during the period. The news releases were on California's PCIP status as the largest enrollment PCIP in the nation and on recognition of HFP's high performing health plans. As reported, the last month was a very heavy media coverage period for PCIP outreach efforts by the California news media. Staff undertook an analysis of this coverage using an online web-based tool. The tool calculates the estimated ad value of a print piece based on what the space would be sold for as advertising. This value would be based on the type of media and placement of the theoretical advertisement. The tool only calculates print media, so TV and radio pieces were not included in the calculation. For the period

ending January 25, 2012, the estimated ad value of only print media earned during the preceding 90 day period totaled nearly \$400,000.00, specifically \$387,268.80.

Chairman Allenby asked if there were any comments or questions from the Board. Hearing none, he asked if there were any comments or questions from the audience. There were none.

The document on the External Affairs Update is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021512/Agenda_Item_5_External_Affairs_Update_02.15.12.pdf

STATE BUDGET UPDATE

Other State Budget Updates

Terresa Krum reported on Agenda Item 6, State Budget Update. Ms. Krum reported that some budget hearing dates have been scheduled. The first hearing will be in Senate Budget & Fiscal Review Subcommittee #3 on March 22. Assembly Budget Subcommittee #1 will meet on April 16th. Additionally, trailer bill language for the Administration's proposals addressing HFP rate reductions and the transition of HFP children to Medi-Cal are on the Department of Finance website.

Also included in Agenda Item 6, is a letter from HFP stakeholders who are opposed to the proposal to reduce HFP provider rates and transition HFP children to Medi-Cal. These Stakeholders are recommending a compromise: transfer of the "bright-line" children only after appropriate assessments, planning and monitoring have occurred. The stakeholders consider that these measures are critical safeguards for these children.

Board Member Richard Figueroa said he liked the concept of transitioning the "bright line" children but continued to share the rest of the Board's view that the remainder of HFP children should be moved to the Exchange or into an exchange model. It is the closest to the existing HFP model and one with which HFP families are comfortable. Mr. Figueroa said he continues to believe in the long-held HFP vision of parents having the same health plan as their children and said that this would be best realized in the Exchange, whether their parents are currently insured through an employer or uninsured. The Exchange should have both commercial and public plans. He said he understood the admonishments provided by Mr. Dorn regarding moving too swiftly to an untested board. However, he said it was the appropriate direction and noted that staff has the authorization to engage others in this discussion.

Mr. Figueroa said that any AIM transfer should take place only in a larger policy context that addresses how all the percent of poverty programs will fit into a discussion about the Affordable Care Act in 2014. As just one of several pregnancy coverage programs, AIM needs to fit into the larger coverage scheme about what happens in 2014. He indicated that AIM is different from the Medi-Cal pregnancy-only program since AIM covers everything, whether or not the care is pregnancy-related.

Mr. Figueroa said that, while it is unclear what the Administration is proposing for PCIP and MRMIP, it makes absolutely no sense whatsoever to transfer the high risk programs anywhere prior to 2014. These programs are going to go away anyway and it makes no sense for any other agency to take on the additional management task or burden for such a short period of time.

Board Member Ellen Wu said she wanted to reiterate the previous testimony by the public, in particular the concern that rate reduction to health plans would trickle down to the provider network and have an impact on access to care for the Healthy Families children.

Mr. Campana said that Mr. Dorn's presentation was excellent and that he wished the HFP Advisory Panel had been present to hear it. He said there were too many unknowns and unresolved questions in the proposal. He indicated that it was important to have a better grasp of the consequences before moving anything forward.

Chairman Allenby asked if there were any further comments. There were none.

Ms. Krum reported that the Board's agenda packet also contained a *CapitolAlert* announcement that California's copay proposal for Medi-Cal was denied by the federal government. As a result, the HFP copay proposal also will not move forward.

The documents on Other State Budget Updates can be found at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021512/Agenda_Item_6.b_CapitolAlert_Article_dated_2-6-12.pdf

STATE LEGISLATION

John Symkowick, Legislative Coordinator, reported on Agenda Item 7, State Legislation. Mr. Symkowick told the Board that AB 1526 (Monning) was introduced since the last Board meeting. This bill would prohibit MRMIB from imposing annual or lifetime limits on benefits provided under the Major Risk Medical Insurance Program and also allow MRMIB to accept a licensed health provider letter as proof as a pre-existing condition, as in PCIP. Staff will update the Board as this bill moves forward.

Chairman Allenby asked if there were any questions or comments from the Board. Hearing none, he asked if there were any questions or comments from the audience. There were none.

The State Legislative Report is located at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021512/Agenda_Item_7_Legislative_Update_2.15.12.pdf

PRE-EXISTING CONDITION INSURANCE PLAN (PCIP) UPDATE

Enrollment Report

Willie Walton, PCIP Program Manager, reported on Agenda Item 8.a, the PCIP Enrollment Report. As of January 31, there were 7,305 individuals enrolled in the program, with 801 new subscribers for January. Program enrollment has averaged approximately 820 new subscribers a month for the past three months and, as of the previous day, there were more than 7,500 subscribers in PCIP. There were no significant changes in demographic information from the prior month: 57.7 percent of subscribers were white, 54 percent were female and 81 percent were 30 to 65 years of age. Most subscribers resided in the Los Angeles and San Diego counties, and 96 percent of all subscribers spoke English.

Almost 1,100 applications were processed in January, nearly 76 percent without assistance. There was a slight increase for the month in the number of applications processed without assistance. At the last board meeting staff announced that, based on reported national enrollment statistics, California is now the largest PCIP in the nation. The new national numbers were posted today and California is still the largest PCIP in the nation. California has achieved the goal of being the largest PCIP in the nation and the process is moving forward to enroll everyone who is eligible into the program. The most current published national information and other states' rankings, are in the Board's meeting packet.

Chairman Allenby asked if there were any questions or comments. There were none.

The PCIP Enrollment Report can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021512/Agenda_Item_8.a_PCIP_Enrollment_Report_for_January_2012.pdf

Administrative Vendor Performance Report

Mr. Walton reported on Agenda Item 8.b, the PCIP Administrative Vendor Performance Report. The administrative vendor met all performance standards in the areas of completeness and eligibility determinations, appeal processing, data transmission, telephone line abandonment, busy rates, seconds to live voice and voicemails returned. All performance standards for accuracy of eligibility determination, screening, adjudication of appeals, generating and transmitting all enrollment transactions and premium payments were also met. There were no benefits appeals during the month.

Chairman Allenby asked if there were any questions or comments. There were none.

The PCIP Administrative Vendor Performance Report is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021512/Agenda_Item_8.b_PCIP_Adm_Vendor_Board_Report_January_2012.pdf

Third Party Administrator Performance Report

Sarah Swaney, Acting PCIP Benefits Manager, reported on Agenda Item 8.c, the Third Party Administrator Performance Report. The third party administrator met or exceeded all the performance standards.

Chairman Allenby asked if there were any questions or comments from the Board. Hearing none, he asked if there were any questions or comments from the audience. There were none.

The PCIP TPA Performance Report document with data on all performance measures is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021512/Agenda_Item_8.c_PCIP%20TPA%20Vendor%20Perf_Jan_2012.pdf

Utilization Reports

Ms. Swaney reported on Agenda Item 8.c, the PCIP Utilization Reports, which contains the 2011 fourth quarter report and a cumulative report from program inception to date. Highlights of the fourth quarter report include the following: Inpatient payments accounted for 39.9 percent of all payments, followed by outpatient facility payments at 28 percent; admissions were 169.5 per 1000 and the average length of stay was 6.4 days. The top diagnosis was for cancer (encounter or admissions for chemotherapy) and the top procedure was also for cancer (intensity modulated radiation treatments). Generics were used 73 percent of the time while brand name drugs were used 27 percent of the time; finally, the most frequently prescribed drug was also for cancer (antineoplastic agents).

The cumulative report showed that inpatient payments accounted for 42.2 percent, followed by outpatient facility payments at 27.4 percent. Admissions were 840.4 per 1000 and the average length of stay was 5.8 days.

Mr. Figueroa asked if that meant 84 percent of subscribers were hospitalized in the last 14 months. Ms. Swaney said that this was correct. Mr. Figueroa characterized the statistic as very high. Ms. Casillas noted that this was the reason for higher than anticipated program costs.

Moving back to the cumulative report, Ms. Swaney noted that cancer (encounter or admission for chemotherapy) again was the top diagnosis and that intensity modulated radiation treatment for cancer was the top treatment provided under the plan. Pharmacy utilization was 74 percent generic and 26 percent brand name. The top prescription was again antineoplastic agents for treatment of cancer.

Chairman Allenby asked if there were any questions or comments from the Board. Hearing none, he asked if there were any questions or comments from the audience. There were none.

Ms. Swaney acknowledged Naomi Almendarez for her work in the preparation of the Utilization Reports.

The PCIP TPA Performance Report document with data on all performance measures is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021512/Agenda_Item_8.d_PCIP_Inception_4th_Quarter_2011.pdf

Other Program Updates

No Other Program Updates were presented to the Board.

MAJOR RISK MEDICAL INSURANCE PROGRAM (MRMIP) UPDATE

Enrollment Report

Ernesto Sanchez reported on Agenda Item 9.a, the MRMIP Enrollment Report. In January, 127 new subscribers were enrolled, resulting in total enrollment of 6,200. There was no wait list and no major changes in subscriber demographics. The top 18 counties account for almost 91 percent of enrollment. The largest enrollment fell in the 50-64 age group, while in PCIP the largest enrollment fell in the 31-49 age group. Females account for 57 percent of enrollment. An ethnicity breakdown is provided in the Enrollment Report.

Chairman Allenby asked if there were any questions or comments from the Board. Hearing none, he asked if there were any questions or comments from the audience. There were none.

The MRMIP Enrollment Report is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021512/Agenda_Item_9.a_MRMIP_Board_Report_Summary_for_June_2011.pdf

Administrative Vendor Performance Report

Mr. Sanchez reported on Agenda Item 9.b, the MRMIP Administrative Vendor Performance Report. The administrative vendor continued to meet all performance standards for processing applications and for toll-free lines.

Chairman Allenby asked if there were any questions or comments from the Board. Hearing none, he asked if there were any questions or comments from the audience. There were none.

The MRMIP Administrative Vendor Performance Report chart is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021512/Agenda_Item_9.b._%20MRMIP_Adm_Vendor_Perf_for_June_2011.pdf

Final Adoption of Regulations Concerning Insurance Agent/Broker Reimbursement – (R-4-11)

Agenda Item 9.c was Final Adoption of Regulations Concerning Insurance Agent/Broker Reimbursement. A motion to approve the resolution included with Agenda Item 9.c, adopting Major Risk Medical Insurance Program regulations concerning agent/broker reimbursement was made, seconded and approved.

The Resolution Adopting Regulations Concerning Insurance Agent/Broker Reimbursement is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021512/Agenda_%20Item_9.c._Final_Adoption_of_Regulations_Concerning_Insurance_Agent_Broker_Reimbursement_R-4-11.pdf

2011-12 Second Quarter Financial Report

Tony Lee reported on Agenda Item 9.d, the MRMIP 2011-12 Second Quarter Financial Report. The beginning balance was roughly \$17 million. Revenues to be collected during the fiscal year total \$32.9 million. Actual expenditures through December 31, 2011 were roughly \$12.5 million. Anticipated expenditures for the remainder of the fiscal year are roughly \$24.4 million, leaving a balance of roughly \$13 million at the end of the fiscal year.

Chairman Allenby asked if there were any questions or comments from the Board. Hearing none, he asked if there were any questions or comments from the audience. There were none.

Mr. Figueroa suggested that the Board discuss the fiscals in MRMIP given the balance, the MOE (Maintenance of Effort) and declining enrollment, among other factors. Ms. Casillas said staff would put that on a future agenda for discussion. She noted that funds must be available for reconciliation in prior years, which includes not only MRMIP, but the GIP Program (Guaranteed Issue Pilot Program), which is no longer in existence but still has costs from existing members' utilization.

The MRMIP 2011-12 Second Quarter Financial Report can be found at:
http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021512/Agenda_Item_9.d_MRMIP_2011-12_Second_Quarter_Financial_Report.pdf

Other Program Updates

No Other Program Updates were presented to the Board.

HEALTHCARE REFORM UNDER THE AFFORDABLE CARE ACT

Ms. Casillas reported on Agenda Item 10, Healthcare Reform Under the Affordable Care Act. She provided an update on MRMIB's activities in collaboration with the Health Benefit Exchange Board. MRMIB staff is involved, as are other agencies, in a review of outreach proposals. The Exchange and supporting agencies (including MRMIB) are looking for an outreach contractor to develop ideas and recommendations on outreach, branding, marketing and design of the navigator and the application assistance programs. The proposals are for general ideas, not for actual implementation.

There was significant interest and there are quite a few proposals under review. MRMIB staff is also working with the Exchange Board on the IT solicitation. The document has been released and proposals are due on February 29, with a decision due in April.

Ms. Casillas also noted that the Board packet contained a copy of a letter co-signed by MRMIB with the Exchange, the Department of Managed Health Care, the Department of Insurance and the Department of Health Care Services. This letter was addressed to U.S. Secretary for Health and Human Services Kathleen Sebelius in response to the DHHS Essential Health Benefits Bulletin. The letter acknowledged the flexibility provided in the Bulletin, and indicated that this is positive in light of concerns about affordability. The letter also asked for clarification on a variety of other issues, including impact on the Medi-Cal program.

The document on Healthcare Reform Under the Affordable Care Act can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021512/Agenda_Item_10_Healthcare_Reform_Under_the_Affordable_Care_Act.pdf

HEALTHY FAMILIES PROGRAM (HFP) UPDATE

Enrollment and Single Point of Entry Report

Sarah Soto-Taylor reported on Agenda Item 11.a, Enrollment and Single Point of Entry. As of the end of January, there were 863,296 children enrolled in HFP and nearly 21,000 new subscribers for January. There are no significant demographic changes among subscribers, with 47 percent Latino, 51 percent male and 52.1 percent English speaking. The top five enrollment counties remain the same from last month with Los Angeles representing just over 25 percent of enrollment.

More than 22,000 applications were processed in January through Single Point of Entry. Just over 62 percent were paper applications and 37.8 percent were submitted online through Health-e-App, with 61.3 percent of Health-e-Apps by public users. A total of 76.6 percent of applications came in without assistance by Certified Application Assistants and 72 percent of applications were forwarded to HFP.

Chairman Allenby asked if there were any questions or comments. There were none.

The HFP Enrollment and Single Point of Entry Report can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021512/Agenda_Item_11.a_HFP_January_2012_Summary.pdf

Administrative Vendor Performance Report

Sarah Soto-Taylor reported on Agenda Item 11.b, the Administrative Vendor Performance Report. The vendor met all performance, quality and accuracy standards for the month of January.

Chairman Allenby asked if there were any questions or comments from the Board. Hearing none, he asked if there were any questions or comments from the audience. There were none.

The HFP Administrative Vendor Performance Report is located at:
[http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021512/Agenda_Item_11.b. HFP Adms Vendor QA 2012-01.pdf](http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021512/Agenda_Item_11.b._HFP_Adms_Vendor_QA_2012-01.pdf)

2010 Dental Quality Report

Chairman Allenby indicated that there would not be a Dental Quality Report.

Update on the External Quality Review Organization (EQRO) Activities

Ellen Badley reported on Agenda Item 11.d, the Update on the External Quality Review Organization. In October, MRMIB contracted with Health Services Advisory Group (HSAG). MRMIB and HSAG staffs have been meeting on a regular basis. HSAG is assisting MRMIB with meeting federal requirements established by CMS under CHIPRA for external quality review. HSAG will help MRMIB staff review and analyze processes regarding the application of quality assurance standards to state CHIP programs.

Since execution of the contract, staff has worked diligently to help review internal contract requirements and MRMIB program areas, and developed a work plan to guide this project over then next year. Five teams from HSAG are helping to support the project. These teams are Quality Improvement, Performance Measure Validation, Compliance Audit, Research and Analytics and Reports. At last week's All Plan Meeting, the kickoff for the EQRO project was held with health plan partners. Work planned over the next year includes a compliance review of all HFP plan partners, an individual and statewide quality improvements project with health plan partners, a validation of performance measures, an HFP-specific health plan report card, validation of HFP's encounter data study and technical assistance in development of an annual quality improvement conference for next year.

Chairman Allenby asked if there were any questions or comments from the Board. He asked if there were any questions or comments from the audience. There were none.

CHIP Reauthorization Implementation

Ms. Casillas indicated that there was nothing to report concerning CHIP Reauthorization Implementation.

Other Program Updates

No Other Program Updates were reported to the Board.

ACCESS FOR INFANTS AND MOTHERS (AIM) UPDATE

Enrollment Report

Ms. Soto-Taylor reported on Agenda Item 12.a, the AIM Enrollment Report. For the month of January, 798 women enrolled, bringing total enrollment to 6,824.

There were no significant changes in demographics. Latinas continue to represent 36.3 percent of enrollment and Los Angeles County continues to have the highest enrollment at 28.1 percent. The distribution of enrollment by plan remains relatively unchanged since last month, with most enrollees in one of the Anthem Blue Cross products.

Chairman Allenby asked if there were any questions or comments. There were none.

The AIM Enrollment Report is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021512/Agenda_Item_12.a_AIM_Jan_2012_summary.pdf

Administrative Vendor Performance Report

Ms. Soto-Taylor reported on Agenda Item 12.b, the Administrative Vendor Performance Report. For the month of January, the administrative vendor met all performance, quality and accuracy standards.

Chairman Allenby asked if there were any questions or comments. There were none.

The AIM Administrative Vendor Performance Report is located at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021512/Agenda_Item_12.b_AIM_Adm_Vendor_Perf_Jan_2012_Summary.pdf

Authorization for Health Plan and State Supported Services Contract Amendments and Extensions

Chairman Allenby noted that there would not be an Agenda Item 12.c.

2011-12 Second Quarter Financial Report

Mr. Lee reported on Agenda Item 12.d, the AIM 2011-12 Second Quarter Financial Report. The beginning balance on July 1, 2011, was approximately \$14 million. Revenues to be collected during the fiscal year are approximately \$54.4 million. Actual expenditures through December 31, 2011, were \$28.7 million. Anticipated expenditures for the remainder of the fiscal year are \$31.4 million, leaving a balance of about \$8.1 million at the end of the fiscal year.

The AIM 2011-12 Second Quarter Financial Report can be found at:

http://www.mrmib.ca.gov/MRMIB/Agenda_Minutes_021512/Agenda_Item_12.d_%20AIM_2011-12_Second_Quarter_Financial_Report.pdf

Chairman Allenby recessed the public meeting and reconvened Executive Session, Agenda Item 2. The meeting was adjourned following the conclusion of Executive Session.